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- (a) Operates a dairy farm and a distributing plant from which there is route disposition in the marketing area during the month;
- (b) Receives fluid milk products from own farm production or milk that is fully subject to the pricing and pooling provisions of the order in this part or another Federal order;
- (c) Receives at its plant or acquires for route disposition no more than 150,000 pounds of fluid milk products from handlers fully regulated under any Federal order. This limitation shall not apply if the producer-handler's own farm production is less than 150,000 pounds during the month;
- (d) Disposes of no other source milk as Class I milk except by increasing the nonfat milk solids content of the fluid milk products;
- (e) Does not distribute fluid milk products to a wholesale customer who also is serviced by a plant described in §1131.7(a), (b), or (e), or a handler described in §1000.8(c) that supplied the same product in the same-sized package with a similar label to the wholesale customer during the month; and
- (f) Provides proof satisfactory to the market administrator that the care and management of the dairy animals and other resources necessary to produce all Class I milk handled (excluding receipts from handlers fully regulated under any Federal order) and the operation of the distributing plant are the personal enterprise of, and at the personal risk of, such person in his/her capacity as a producer-handler.

§1131.11 [Reserved]

§1131.12 Producer.

- (a) Except as provided in paragraph (b) of this section, *producer* means any person who produces milk approved by a duly constituted regulatory agency for fluid consumption as Grade A milk and whose milk (or components of milk) is:
- (1) Received at a pool plant directly from the producer or diverted by the plant operator in accordance with §1131.13; or
- (2) Received by a handler described in $\S 1000.9(c)$.
 - (b) Producer shall not include:

- (1) A producer-handler as defined in any Federal order;
- (2) A dairy farmer whose milk is received at an exempt plant, excluding producer milk diverted to the exempt plant pursuant to §1131.13(d);
- (3) A dairy farmer whose milk is received by diversion at a pool plant from a handler regulated under another Federal order if the other Federal order designates the dairy farmer as a producer under that order and that milk is allocated by request to a utilization other than Class I;
- (4) A dairy farmer whose milk is reported as diverted to a plant fully regulated under another Federal order with respect to that portion of the milk so diverted that is assigned to Class I under the provisions of such other order and
- (5) A dairy farmer whose milk is received at a pool plant if during the month milk from the same farm is received at a nonpool plant (except a nonpool plant that has no utilization of milk products in any class other than Class III or Class IV) other than as producer milk under the order in this part or some other Federal order. Such a dairy farmer shall be known as a dairy farmer for other markets.

§1131.13 Producer milk.

Producer milk means the skim milk (or the skim equivalent of components of skim milk) and butterfat in milk of a producer that is:

- (a) Received by the operator of a pool plant directly from a producer or a handler described in §1000.9(c). All milk received pursuant to this paragraph shall be priced at the location of the plant where it is first physically received;
- (b) Received by a handler described in \$1000.9(c) in excess of the quantity delivered to pool plants;
- (c) Diverted by a pool plant operator to another pool plant. Milk so diverted shall be priced at the location of the plant to which diverted; or
- (d) Diverted by the operator of a pool plant or a cooperative association described in §1000.9(c) to a nonpool plant, subject to the following conditions:
- (1) Milk of a dairy farmer shall not be eligible for diversion unless at least one day's production of such dairy

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farmer is physically received at a pool plant during the month;

- (2) The total quantity of milk diverted by a handler in any month shall not exceed 50 percent of the total producer milk caused by the handler to be received at pool plants and diverted;
- (3) Diverted milk shall be priced at the location of the plant to which diverted;
- (4) Any milk diverted in excess of the limits prescribed in paragraph (d)(2) of this section shall not be producer milk. If the diverting handler or cooperative association fails to designate the dairy farmers' deliveries that are not to be producer milk, no milk diverted by the handler or cooperative association during the month to a nonpool plant shall be producer milk. In the event some of the milk of any producer is determined not to be producer milk pursuant to this paragraph, other milk delivered by such producer as producer milk during the month will not be subject to §1131.12(b)(5); and
- (5) The delivery day requirement in paragraph (d)(1) of this section and diversion percentage in paragraph (d)(2) of this section may be increased or decreased by the market administrator if the market administrator finds that such revision is necessary to assure orderly marketing and efficient handling of milk in the marketing area. Before making such a finding, the market administrator shall investigate the need for the revision either on the market administrator's own initiative or at the request of interested persons if the request is made in writing at least 15 days prior to the month for which the requested revision is desired effective. If the investigation shows that a revision might be appropriate, the market administrator shall issue a notice stating that the revision is being considered and inviting written data, views, and arguments. Any decision to revise the delivery day requirement or the diversion percentage must be issued in writing at least one day before the effective date.
- (e) Producer milk shall not include milk of a producer that is subject to a marketwide equalization pool under a milk classification and pricing plan

under the authority of a State government.

[64 FR 48010, Sept. 1, 1999, as amended at 70 FR 9848, Mar. 1, 2005]

§1131.14 Other source milk.

See §1000.14.

$\S 1131.15$ Fluid milk product.

See § 1000.15.

§1131.16 Fluid cream product.

See §1000.16.

§1131.17 [Reserved]

§1131.18 Cooperative association.

See §1000.18.

§ 1131.19 Commercial food processing establishment.

See §1000.19.

HANDLER REPORTS

§1131.30 Reports of receipts and utilization.

Each handler shall report monthly so that the market administrator's office receives the report on or before the 7th day after the end of the month, in the detail and on the forms prescribed by the market administrator, as follows:

- (a) With respect to each of its pool plants, the quantities of skim milk and butterfat contained in or represented by:
- (1) Receipts of producer milk, including producer milk diverted by the reporting handler, from sources other than handlers described in §1000.9(c);
- (2) Receipts of milk from handlers described in §1000.9(c);
- (3) Receipts of fluid milk products and bulk fluid cream products from other pool plants;
 - (4) Receipts of other source milk;
- (5) Inventories at the beginning and end of the month of fluid milk products and bulk fluid cream products; and
- (6) The utilization or disposition of all milk and milk products required to be reported pursuant to this paragraph.
- (b) Each handler operating a partially regulated distributing plant shall report with respect to such plant in the same manner as prescribed for reports required by paragraph (a) of this section. Receipts of milk that